

## VECTREN CORPORATION - Summer 2004 Reliability



# **Summer 2004 Outlook**

**Summer Supply Resources**

**Demand Forecast**

**Contingencies Plan**

**Demand Side Management**

**Transmission System Performance/ MISO**

**Generation Capacity Planning**

**Conclusion**



**VECTREN**

*Not just power. Possibility.*

# **Summer Supply Status**

## **Summer Supply Resources**

- **High Unit Availability**
  - SCR Impacts
- **Spring Maintenance Activities**
  - Major Overhaul Brown 2
- **SCR Outages**
- **Availability Goals**
- **ECAR Capacity Status**



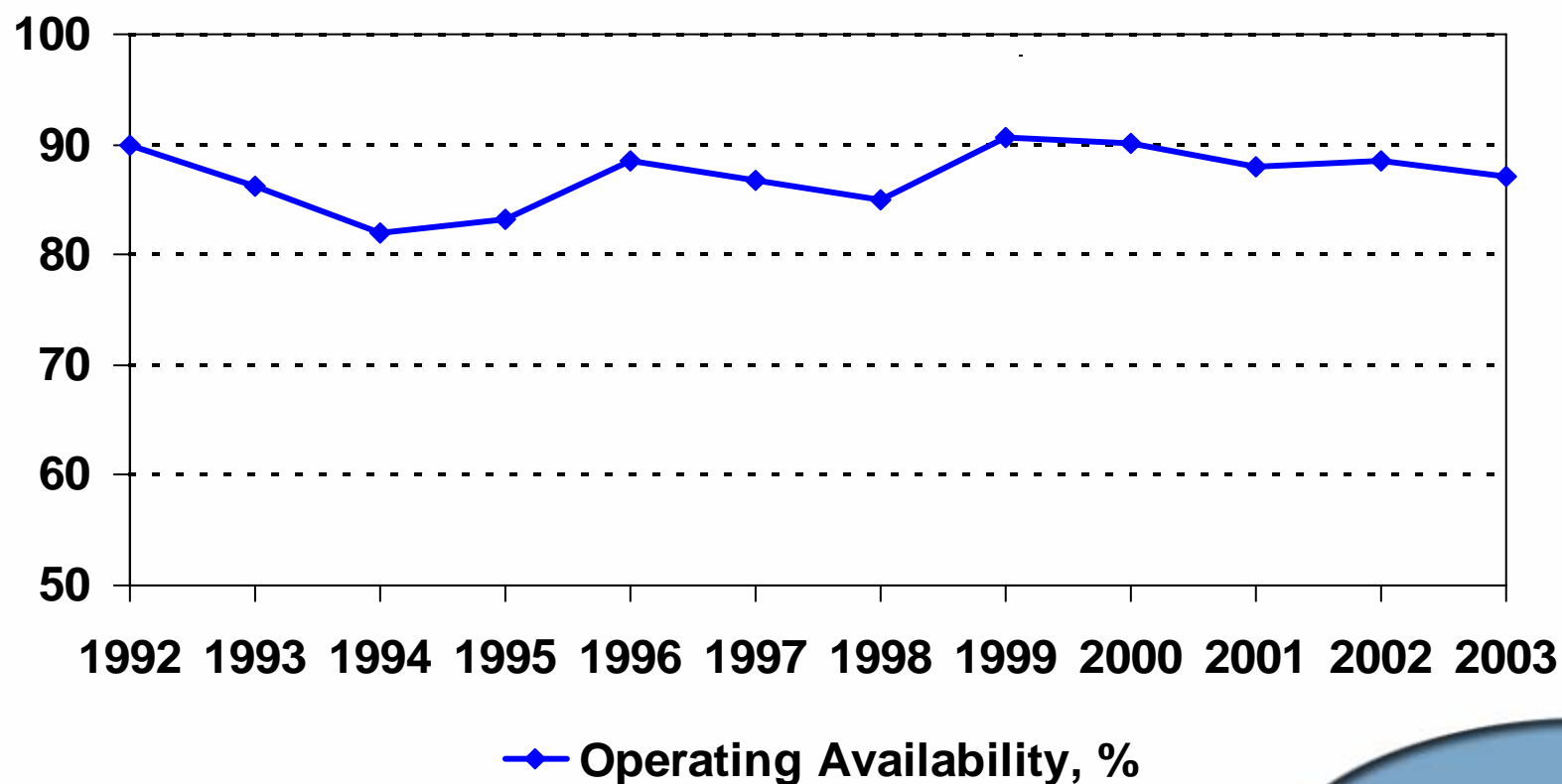
**VECTREN**

*Not just power. Possibility.*

# ***Historical Operating Availability***

Summer Supply Resources

## **COAL FIRED STEAM SYSTEM**



**VECTREN**

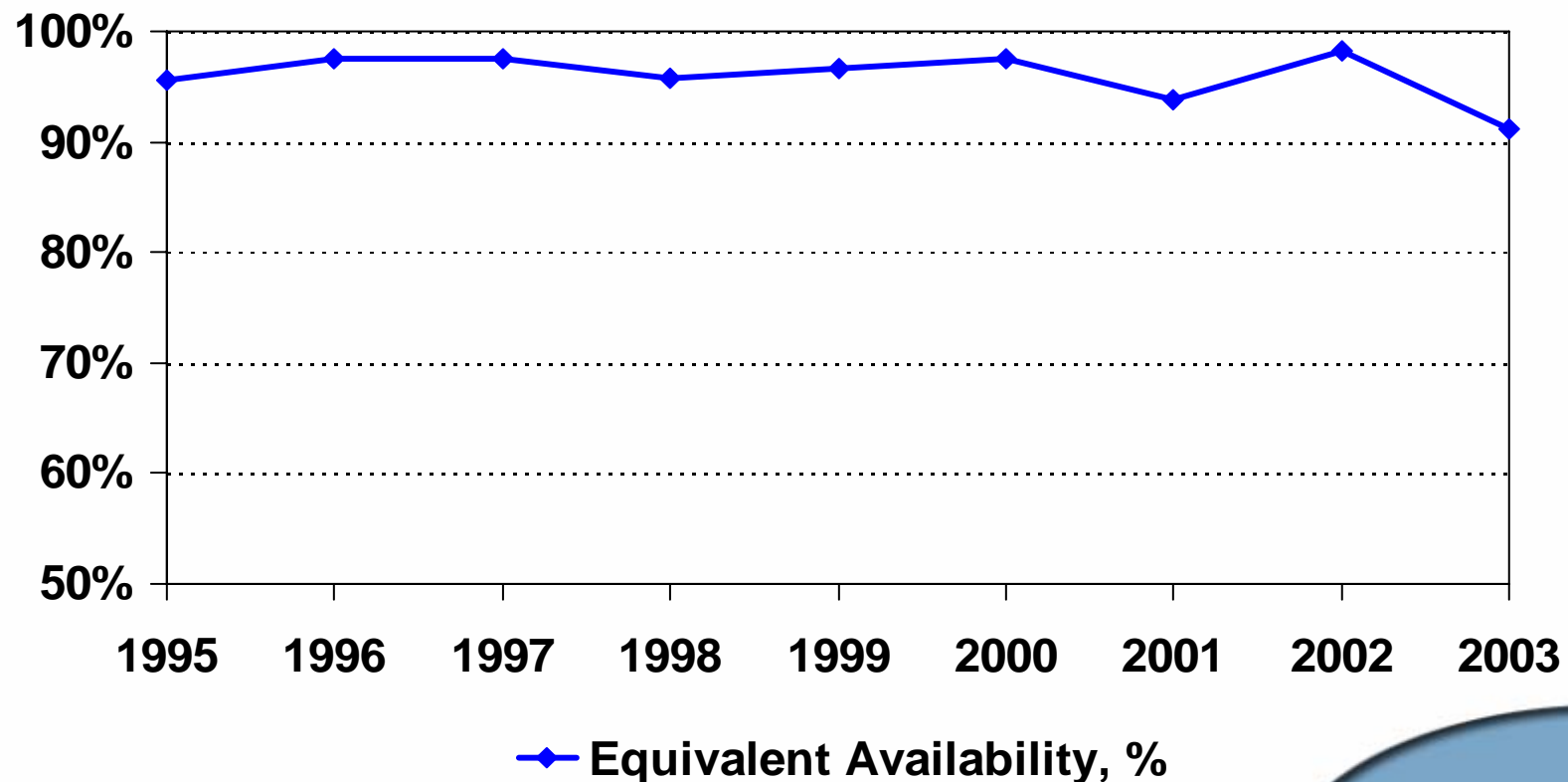
*Not just power. Possibility.*



# ***Availability at Summer Peak Hour***

**Summer Supply Resources**

## **COAL FIRED STEAM SYSTEM**



**VECTREN**

*Not just power. Possibility.*

# **VECTREN System Capacity**

## **Summer Supply Resources**

<b>Coal Generation</b>	<b>1056 MW</b>
<b>Combustion Turbine</b>	<b>295 MW</b>
<b>Purchased Capacity</b>	<b><u>105 MW</u></b>
<b>Total</b>	<b>1456 MW</b>



**VECTREN**

*Not just power. Possibility.*

# ***Interruptible DLC Capabilities***

## **Summer Supply Resources**

<b>Interruptible Customers</b>	<b>5 MW</b>
<b>DLC, normal</b>	<b>25 MW</b>
<b>DLC, emergency</b>	<b>50 MW</b>



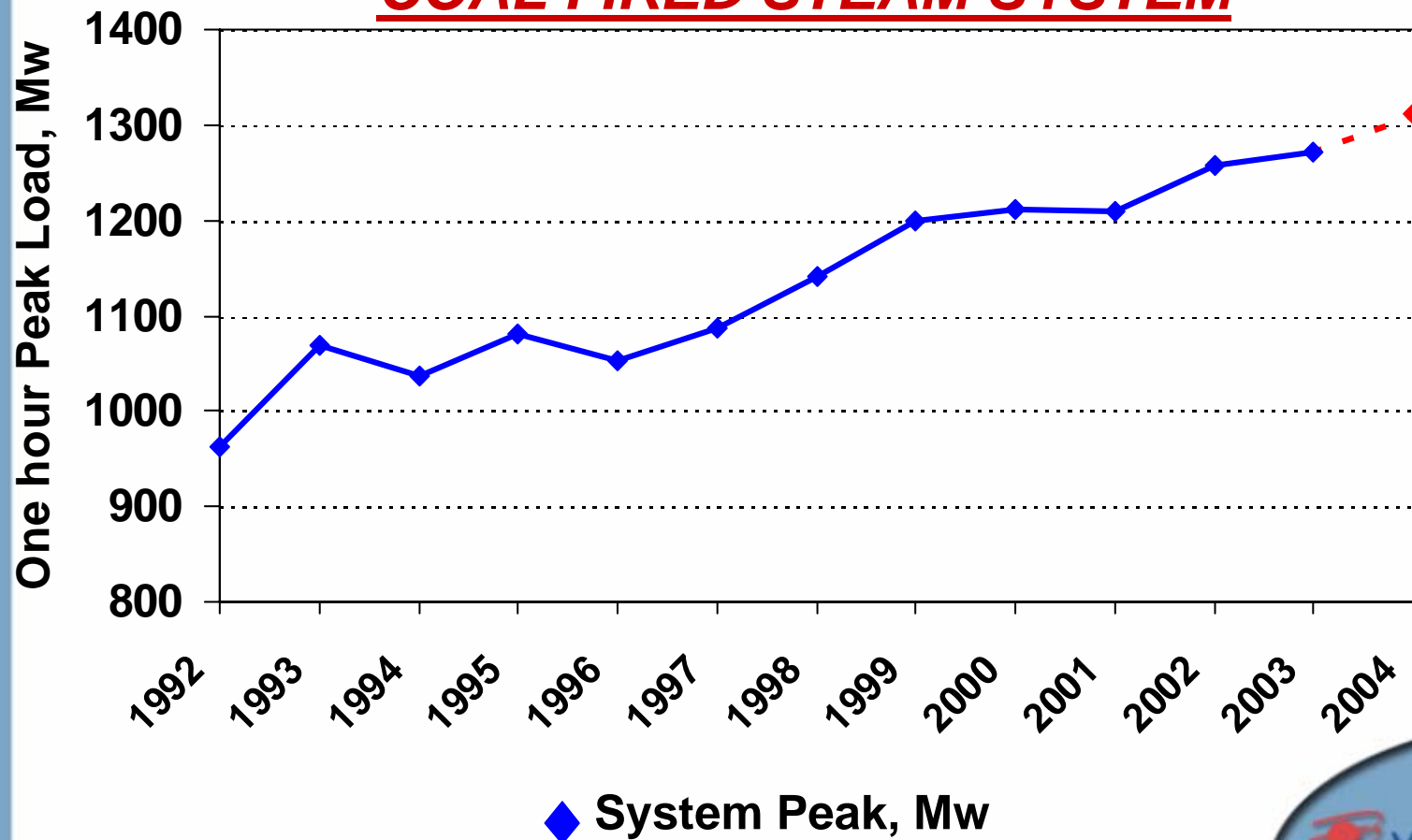
**VECTREN**

*Not just power. Possibility.*

# Summer Peak Load

Demand Forecast

## COAL FIRED STEAM SYSTEM



**VECTREN**

*Not just power. Possibility.*



# **Meet the Peak Summary**

## **Demand Forecast**

<b>System Capability</b>	<b>1456 MW</b>
<b>Interruptible</b>	<b>5 MW</b>
<b>DLC (MAX)</b>	<b><u>50 MW</u></b>
<b>Total Capability</b>	<b>1511 MW</b>

**2004 Projected Peak** **1311 MW**

**Reserve Margin (15.2%)** **200 MW**

**Capacity Margin (11.1%)** **145 MW**

**On System Capacity Margin (5.5%)** **72 MW**



**VECTREN**

*Not just power. Possibility.*

# **Special Provisions**

## **Demand Forecast**

- **ECAR ARS** **As Needed**
- **Voluntary Capacity Releases** **25-150 MW**
- **Internal Use Reduction Plans** **10 MW**
- **Conservation Request** **30 MW**
- **Emergency Load Reduction Plan-** **Last Resort**



**VECTREN**

*Not just power. Possibility.*

# **Contingencies Plan**

## **Conservation Appeal**

- **News Release**
- **Media Spots**
- **Key Account Managers request Major Customer Load Reduction**
- **Contact Center – Request Usage Reduction**
- **Outbound Automated Conservation Request**



**VECTREN**

*Not just power. Possibility.*

# **Demand Side Management Activities**

- **Continuation of Direct Load Control Program**
  - **40,000 + Residential Customers**
  - **3,000 Business Customers**
  - **30 to 50 MW in available load (based on cycling strategy)**
  - **Field Investigation of Installed Equipment**
  - **Promotion for New DLC Accounts**
    - **Bill Stuffer**
    - **Web Site (Vectren.com)**
  - **3<sup>rd</sup> Party DSM Program at Commission**



**VECTREN**

*Not just power. Possibility.*

# ***Transmission System Performance***

## **Internal Operations**

**Under normal and single contingency conditions, system capacity plus transmission CBM is adequate to serve native load.**

**Transmission system import capability has been reduced by the MISO load flow analysis. MISO evaluation processes have become more restrictive since August 14 blackout.**



**VECTREN**

*Not just power. Possibility.*

# **Generation Capacity Plan**

- **Purchase Agreement for 73 MW Merchant Peaking**
- **Current review of IRP indicates need for additional capacity in planning horizon.**
- **Reviewing IRP Capacity Options**
- **Transmission upgrades are an important component of the evaluation**
- **Abundant capacity margin in ECAR**

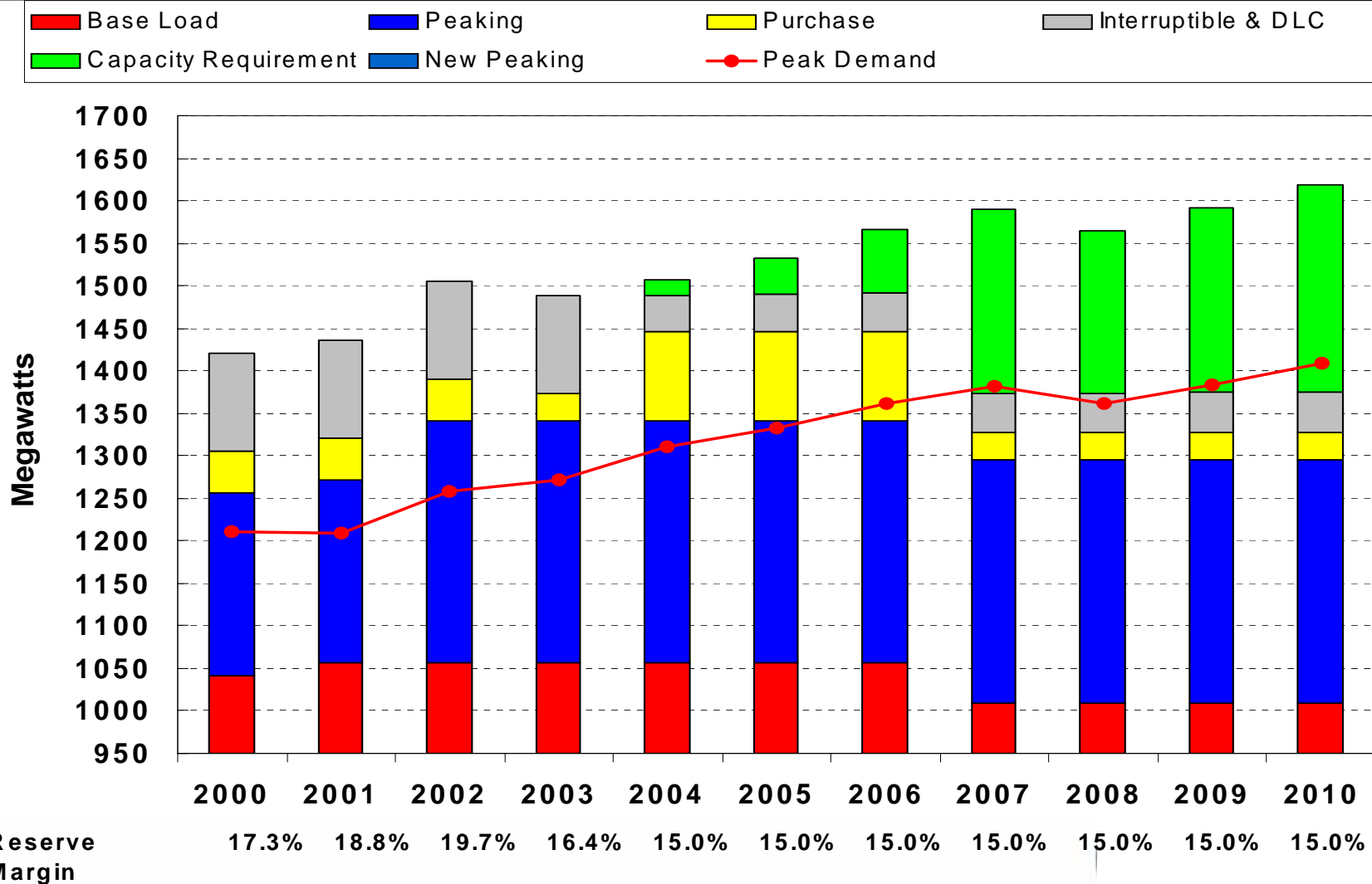


**VECTREN**

*Not just power. Possibility.*



# Integrated Resource Plan



# **Conclusion**

**Based upon forecasted demand for electricity and historical reliability of system generating and non-firm transmission capacity, VECTREN anticipates it will be able to provide reliable service to firm native load customers.**

**However, unforeseen system generation outages or constraints imposed by MISO on transmission import capability could effect that capability.**



**VECTREN**

*Not just power. Possibility.*